OFFICIAL GAZETTE

GOVERNMENT OF GOA

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Department of Information Technology

Notification

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The Information Technology Policy 2005 of Goa as adopted by the Government is hereby published for information of the public.

By order and in the name of the Governor of Goa.

M. N. Rao, Director (IT) & ex officio Jt. Secretary.

Panaji, 8th November, 2005.

ANNEXURE 'A'

IT Policy 2005

Introduction

1.1 Located on the western coast of India, the State of Goa, with an area of 3702 square kilometers and a population of 1.35 million, is one of the smaller States of the Union. The State is among the best--known destinations, not only for tourism but also increasingly for industry and commerce.

1.2 Goa was ranked at the top among the States and Union Territories on 12 key indicators relating to quality of life in the Report of National Commission on Population (2002). It was selected as the 'State of the States' in a survey conducted by the leading news magazine, India Today (May, 2003), and ranked the best amongst all the States in India in the categories of Education, Health, Infrastructure and Investment Scenario. In terms of social indicators such as literacy and infant mortality rate, Goa is among the top three States in the country. Eleventh Finance Commission ranked Goa as the Best Placed State in the country in terms of infrastructure facilities.

1.3 The State offers a high quality of life, both for people domiciled there and for those who make Goa their home for varying lengths of time. It has excellent infrastructure for education and health. It is well connected to metropolitan cities and centers of trade and commerce through road, rail, sea-routes as well as by air. The connections will improve further with the establishment of a new international airport and widening of national highways.

1.4 With the highest per capita income in India, Goa is a prosperous State where different communities co-exist in complete harmony. The State is fiscally well managed and has a high rate of economic growth, among the highest in the country. With 55 percent of its Gross Domestic Product being contributed by the tertiary sector, and another 35 percent by the manufacturing sector, Goa is a modern and forward-looking State.

1.5 With the IT/ITES industry being eminently suited to Goa owing to its inherently non-polluting character and the fact that it makes only conservative demands on precious resources such as land, electricity and water, the Government is keen to encourage the IT/ITES industry in the State in a big way. Goa is well placed to move towards being a knowledge society and a knowledge economy. The Government firmly believes that Information Technology is the key to the enhancing welfare of the citizens of Goa as IT

can create employment opportunities for an increasing proportion of the population in a variety of diverse sectors.

1.6 Information Technology Policy is envisaged as 'living documents'. It is the intention of the Government to carry out necessary modifications in the documents to keep them updated keep pace with the changing demands.

Institutional Framework

Empowered Committee

2.1 There shall be an Empowered Committee for smooth administration of the incentives under the policy to the IT industry. It shall have following composition.

1. Minister (IT)   ..... Chairman
2. Secretary (IT)   ..... Member
3. Managing Director, ITG ..... Member
4. Managing Director, IDC ..... Member
5. Managing Director, EDC ..... Member
6. A representative of GCCI ..... Member
7. Two Experts from IT   ..... Member
8. Director of IT   ..... Member Secretary

It shall have the following functions:

1. Approval of grant of registration to IT/ITES units/companies

2. Approval of the incentives

3. Monitoring, review of implementation of IT policy

4. Redressal of grievance.

Info Tech Council

2.2 The Info Tech Council, a high-level body headed by Dr. R. A. Mashelkar, Director General, CSIR and with many eminent personalities as its members, has been constituted to advise the Government on various IT matters, particularly in the areas relating to applications of technology in Research and Development and development of relevant infrastructure.

Task Force for Good Governance

2.3 *A Task force for Good Governance* has been constituted under the Chairmanship of the Minister to lay down the policy framework for achieving the objectives of Good Governance, including e-Governance. The Task force is responsible, *inter-alia*, for ensuring flow of sufficient funds for e-Governance activities. A sub--committee of the Task force, called the High Level Monitoring Committee, is responsible for review and monitoring of the measures taken by the Government for the implementation of this IT Policy.

Info Tech-Corporation of Goa(ITG)

2.4 Realizing the potential of Information Technology to impact the growth of every sector of the economy, the Government had set up the Information Technology Corporation. As per Industrial Policy 2003, Corporation's mandate includes development of IT-related infrastructure, IT enabled services and implementation of e-Governance objectives of the Government. The Info Tech-Corporation of Goa (ITG) is mandated to act as a single window agency for IT and ITES Units for incentives under this policy. It shall register IT and ITES Units to be eligible for incentives as laid down in this Policy.

Software Technology Park of India (STPI)

2.5 A MOU was entered in to between the Government of Goa and STPI in August 2004, primarily for development of high-speed data communication facilities in the State. Land is being allotted to STPI at a suitable site in Goa with the target of making the facilities provided by STPI operational in about 18 months.

Economic Development Corporation

2.6 The Economic Development Corporation Ltd. is a State level financial institution promoted by the Government and to play a more proactive role in promotion of IT sector.

Goa Education Development Corporation

2.7 The Goa Education Development Corporation has been established under the Goa Education Development Act, 2003, to promote and assist in the rapid and orderly development of educational institutions, services and facilities in the State. Its functions include promotion of schemes for preparation of graduates for the knowledge based economy and society, for increasing IT literacy among the population, for development and deployment of e-learning software and technology and for encouraging development of research facilities. The Skills and Productivity Labs set up by the GEDC in collaboration with the National Institute of

Technical Teachers Training and Research (NITTTR), Bhopal, provides facilities to students, academicians and the people of Goa to enhance learning by replacing a conventional training approach with interactive computer based training.

Project Management Committees

2.8 A Project Management Committee (PLC) constituted for each department, shall be responsible for the development and implementation of packaged software solution in that department.

Joint Ventures

2.9 Joint ventures shall be encouraged to leverage the benefits of synergy between public sector and private sector.

Other Implementation Agencies

3.0 In order to ensure requisite speed and flexibility, the responsibility for co-ordination and implementation of the policy may be entrusted to a suitable Governmental or autonomous agency. Such agency will, under the over-all supervision and control of the Government, be responsible for development and execution of a time-bound action plan in terms of growth in IT sector in general as well as employment in particular.

e-Infrastructure

Connectivity

3.1 The Government recognizes that the success of IT investments is dependent, to a large extent, on connectivity. National Internet Backbone connectivity through Optical Fibre Cable (OFC) has already been established from Mumbai to Goa. There are several telecommunication players in this market viz. BSNL, Bharati Telesystem Ltd., Reliance Infocom and Tata Indicom.

3.2 BSNL has 125 Telephone exchanges covering almost every village in Goa through a total cable network of 8600 kms. including an OFC network of 1041 kms. With its network being serviced by multiple STM rings, BSNL is capable of providing unlimited number of reliable 2 MBPS leased lines to IT/ITES units within a short span of time in almost all locations in Goa with a Service Level Agreement guaranteeing uptime above 99 percent.

3.3 Tata Indicom is capable of providing leased circuits within the cities of Panaji, Mapusa and Vasco. Reliance Infocom and Bharati Telesystem Ltd. also have plans to provide last mile coverage in selected areas of Goa in near future.

3.4 The Government will make all efforts for establishing an international gateway in Goa for use of IT and ITES industry. In the mean time, the industry will be provided relief in payment of IPLC charges.

3.5 The Government is also committed to provide broadband connectivity on demand upto individual homes through an appropriate model.

Venture Capital and Incubation

3.6 The Government will support entrepreneur-ship with products and services, and jointly invest in, Venture Capital activity to create incubation facilities for technology-based start-ups giving Goa a strategic advantage.

Setting up of SEZ

3.7 Several IT units are functioning in an STP complex hitherto operated by Info Tech Corporation of Goa Ltd., where 125,000 square feet of built up space has been made available on lease/ /sale basis. A number of new IT projects are under consideration for being taken up immediately. The Government is also planning to set up a Special Economic Zone (SEZ) with a special emphasis on IT and gems and jewellery.

International airport

3.8 The proposed international airport, the land acquisition for which is underway, will provide direct international connectivity of highest standards.

e-Governance

4.1 The Government intends to optimally leverage IT to restructure government-citizen interface with the objective of providing good governance. The Government is committed to providing all its services through e-Governance applications in the next two years.

GOANET

4.2 Recognizing the importance of Wide Area Networks (WAN) as a tool for effective e-Governance, the Government has established

an intranet, called GoaNET, by connecting a number of LANs pertaining to important departments with a Central Hub through dedicated leased lines. As more and more functions in various departments are computerized, the databases will be made accessible on the WAN.

Single Window Online Service

4.3 GoaNET is initially planned as an intranet among Government Departments. In due course, however, web-based access to services is envisaged to act as a single window to all Government services.

Citizen centric services

4.4 Thirteen information kiosks under the name "Mahiti Ghar" have been set up by the Government covering all talukas except two, for the purpose of providing various services such as issuing Record of Rights in Form I & IV and Learners' Driving Licenses to citizens of Goa. The scheme was started on a trial basis with effect from 24th October, 2001, initially with one kiosk each in Panaji and Margao. On the basis of feedback received on the functioning of the *Mahiti Ghar* that the concept has been well received and appreciated by the public the Government intends to set up additional kiosks and to increase the number of services provided through them. For running and managing of the Mahiti Ghars and for expansion of the Mahiti Ghar network further, the Government intends use PPP model.

Commitment to provide Funds

The Government is committed to allocate necessary funds for all the initiatives in respect of e-Governance, either through support of the Government of India or through its own resources.

Incentive for Successful e-Governance Projects

4.6 Every member of the Department that successfully implements the e-Governance application completely on schedule will be eligible to a one-time honorarium at scale to be specified separately. The members of Project Leadership Committee shall be entitled to an additional increment along with honorarium.

Smart Card

4.7 Development of a multi-application Smart card in the nature of a State ID Card shall be initiated during the current financial year, initially covering the students at school level and their parents as most of the applications requiring identification and certification occur during the years following school leaving. The task will be completed for all the citizens of Goa within the next 2 to 3 years, in phases, by integrating the efforts made by various departments such as Labour dept. This card will carry all necessary information, duly authenticated, such as proof of residence, birth certificate, marriage certificate, reserved category status, educational qualifications, domicile, social security entitlements, Driving License, Health card etc.

IT and Research & Development

5.1 To build the State's technology capacity and enable growth of new business initiatives, the following measures will be taken.

R & D Parks

5.2 The Government will promote Research and Development Parks with the objective of building the State's technology capacity, technology skills, and future business start-ups.

e-Education

6.1 Availability of skilled manpower is a prerequisite for promotion of IT sector. In fact, the Government will also require staff with computer skills to implement its e-Governance initiatives. In order to increase the penetration of PCs in the society and encourage use of computers by common citizenry, the Government launched a pioneering *Cyber Age Scheme* in 2002-03. The scheme provides for the grant of a free desktop computer to students.

IT Education in Schools

6.2 A scheme for setting up of a computer center in each middle/high school, with sufficient computers for hands-on training for each student with requisite skilled and trained computer teachers shall be put in to operation. The curricula in these schools will be upgraded to provide appropriate computer skills to every student.

Focus on IT

6.3 College and university curricula in technical courses will be modified to focus on IT. Further, training facility for soft skills—knowledge of

English, accent and social skills will be created to cater to BPO industries. The Government shall also leverage local language skills in Portuguese.

Learning through Internships

6.4 A system of internships for students in technical streams will be implemented in partnership with IT/R&D units in the State to enable them to have wider and deeper exposure and improve their market ability in the job market. This will also enable IT units to spot and train talent for future employment.

Faculty with Industrial Experience

6.5 Adjunct positions will be created in technical institutions to draw faculty from industry and research labs to enrich the exposure. Academics will be encouraged to participate in industry, particularly in research and development units and in skill development areas.

ShikshaNET

6.6 The Government will establish a web portal as a window for tracking and transacting students admissions, performance and certifications as well as a means for educational institutes to pool curricula and teaching resources. Goa Education Development Corporation shall develop facility of self learning through educational software besides providing regular training in computer related skills. The network of Mahiti Ghars may also be utilized for training and learning activities through an out-sourcing arrangement,

Incentives for Investment in IT sector

7.1 India has emerged as an excellent location for the operations of IT and ITES companies that service the needs of not only the country but the entire world. With the advantage of having one of the highest literacy rates in the country (83%) and a large pool of technical and English-speaking population, Goa is ideally suited for setting up IT industry/IT-enabled services. However, in view of various incentives provided by other States to attract Indian and global companies and entrepreneurs for investment in IT sector, the Government of Goa also proposes to match such incentives in order that the prospective industries intending to invest in Goa are not placed at a disadvantage.

7.2 The Government of Goa recognizes the value of short and long-term incentives as an investment in the IT industry that is capable of producing tremendous returns in the form of employment generation and substantial accretions to the State economy. The following measures are being taken to facilitate a higher level of investments in IT sector in the State.

Goa Industry Incentive Scheme

7.3 All incentives made available under the Industrial Policy, 2003, to the prospective industries intending to invest in Goa, shall also be applicable to IT and ITES units registered with ITG.

Facilitation of entry of major players

7.4 Recognizing that a variety of economic and employment-oriented spin-offs occur with the entry of major industrial players, the Government intends to treat proposals on a special footing which involve projects having investment in IT//ITES industry exceeding Rs. 50 crores or creating employment of more than 1000 in the case of IT and 1500 in the case of ITES. Similar treatment will also be provided to industrial houses among top twenty companies as per NASSCOM annual listing, that intend to open branches or campuses in Goa.

Hardware Industry

7.5 Hardware manufacturing is a priority sector for the Government. Goa is well suited for hardware manufacturing industry as it is endowed with a very good harbour facility.

Establishment of SEZ

7.6 Government shall declare IT Park as SEZ which would further enable conducive atmosphere for rapid growth of IT/ITES industry.

Business Incubation

7.7 The Government will assist incubation of technology-based start-ups for products and services giving Goa a strategic advantage.

Fairs and Retreats

7.8 The Government will commission, support and participate in events organized by various Corporations and agencies of the Government, and reputed organizations such as the NASSCOM, the Confederation of Indian Industries (CII) and the Goa Chamber of Commerce and Industry (CCI), that

promote the State's technology and income generation capacity as well as local employment and entrepreneurship.

Skill Databases

7.9 The Government will encourage and assist the university and other educational organizations to create an on-line alumni database. A citizen database will be developed through the implementation of Smart Card project. These databases will serve the IT units in the State in their search for skilled manpower.

Incentive for employment to locals

7.10 Employment incentive to unit @ Rs. 15,000/- per employee per annum maximum amount of Rs. 75.00 lakhs per year in one unit (for a period of two years starting from the date of operation). Additional special incentive 5% for commissioning the operations before December, 2006.

Reimbursement of Stamp duty

7.11 All registered IT/ITES units that purchase or lease land and/or building in the notified IT Park or industrial estates operated by the Goa Industrial Development Corporation (GIDC) will be reimbursed the entire amount paid by the unit towards Stamp duty. The reimbursement will take place after the unit/company starts its operation i.e. first bill of sale. This will be only one-time relaxation in respect of the particular land and/or building or part thereof.

Higher FAR for buildings housing IT/ ITES units ·

7.12 Building located in notified IT Parks will be permitted a FAR of 150.

Availability of quality power

7.13 The Government will ensure a reliable power supply to IT/ITES units located within nctified IT Parks. It will provide out-of-turn new connections to IT/ITES units. Necessary investment will be made in the distribution network to ensure reliability and quality of power in the IT Park. IT/ITES units/companies shall be exempt from the purview of statutory power cuts. The Government will encourage independent power producers and captive power generation to ensure uninterruptible power supply to the units established in notified IT Parks.

Rebate in power tariff and applicability of industrial category tariff

7.14 Subsidy on power and water

(a) Subsidy of 25% on power consumption for a period of two years from the date of starting operation, and normal rate will remain firm for the next three years;

(b) 25% capital subsidy on in-house back-up power plant subject to a maximum of Rs. 10.00 lakhs;

(c) Subsidy of 25% on water consumption for a period of five years from the date of starting of operation.

Reservation of seats in professional colleges

7.15 In order to facilitate IT/ITES companies to transfer their senior staff to new units in Goa, the Government will provide reservation of seats for the children of such senior staff who have been posted in Goa for a continuous period of two years or more for admission to professional colleges in State. Relaxation in domicile conditions will also be granted to children of IT/ITES professionals who have been working in Goa for a continuous period of five years. This facility will be made available from the next academic year.

Exemption from the application of specific Acts

7.16 Registered IT/ITES units, except those that are engaged in manufacture of hardware equipment, will be exempted from the application of Goa Pollution Control Act. The IT/ITES units shall be facilitated to operate 365 x 24 x 7. They will be treated as deemed establishments and granted exemption from opening, closing hours and weekly holidays restrictions, as well as shift restrictions under the relevant Act. IT/ITES industry would be exempt from inspections under the following Acts and the Rules framed thereunder barring exemptions arising out of specific complaints. The IT units shall also be permitted to file self-certificates in the prescribed formats:

1. The Factories Act, 1948.

2. The Maternity Benefits Act, 1961.

3. The Contract Labour/Regulation and Abolition Act, 1970.

4. The Payment of Wages Act, 1936.

5. The Minimum Wages Act, 1948.

6. The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959.

7. The Goa, Daman & Diu Shops and Establishment Act, 1973.

There shall be general permission for three-shift operation with women working in the night for IT/ /ITES units/companies. Government shall facilitate arrangements for transport to the employees of IT/ITES industry.

Incentives to promote research activities

7.17 The Government will provide grants and other benefits to units that wish to undertake activities relating to research in cutting edge technologies, particularly in advanced telecommunications area. The proposals for such grants up to a maximum of Rs. 10 lakh will be considered by the Government.

Outstanding contribution awards

7.18 Registered IT/ITES units that have completed 5 years of operation in the State will be considered for grant of one 'Outstanding Contribution Award' of Rs. 10 lakh each year in each category (hardware manufacturing, software development, business process out-sourcing etc.) on the basis of objective criteria published by the Government.

Reimbursement of certification charges

7.19 Government will reimburse actual charges or Rs. 5 lakhs, whichever is less for certification for ISS/ISO 9000, SEI-CMM level 5, e-SCM level 3. This reimbursement can be availed by IT/ITES units/companies. This reimbursement shall be given only once to a IT/ITES units.

Incentive to Training Institutions

7.20 Incentive of Rs. 2000/- per candidate will be available to Training Centers/Institutes who have successfully trained the candidates in communication/soft skills and thereby have been able to place them in reputed IT and ITES companies for employment. This will be subject to the condition that the Training Institution is able to place a minimum of 50 candidates per annum. Only accredited training institutions running accredited training programmes will be eligible for such incentive.

IT industry to be notified as public utility/ /essential services

7.21 IT/ITES units/companies and IT hardware industry shall be notified as a public utility/ /essential service under the relevant laws.

Allocation of land

7.22 Government would establish IT Park at a suitable location and make the land available to IT players wanting to come to Goa at suitable rate guided by the final cost to the Government including developmental cost, if any, and market rate. In the industrial estates, the land will be allocated as per extent policy for outright purchase/ /lease.

Eligibility of Incentives under this Policy

7.23 If IT/ITES units/companies availed incentives/subsidies under Industrial Policy, 2003 of Government of Goa, such units will not be eligible for incentives/subsidies mentioned above and vice-versa. Further, the incentives of stamp duty exemption/reimbursement, FAR of 150, local employment subsidy, incentive to training institutions, reimbursement for certification, power and water subsidy shall be available to units employing minimum 100 local people (domicile of Goa) and after production of CPF slips. The date of commencement of operation would mean date of first bill of sale.

Date of Operation

7.24 It shall come into operation with effect from the date of it being notified in the Official Gazette.